



McGREGOR & WERNER, INCORPORATED

WASHINGTON OFFICE
1640 CONNECTICUT AVENUE

TELEPHONE
COLUMBIA 4314

RESTRICTED

November 25, 1946

Mr. Henry Beatty
Chief, Commercial Printing Procurement
Navy Department
Washington, D. C.

Dear Mr. Beatty:

Thank you very much for your frank discussion of the questions involving operation of the contract currently in effect between the Navy Department and McGregor & Werner, Inc., (INVITATION No. 3761, CONTRACT No. NOD 7477).

I shall try to reply to the written questions you have presented and, if accepted, offer constructive suggestions which may improve and modify the broad provisions of the contract as it relates to service and payments. I believe the proposed suggestions will result in benefit to the Government and at the same time permit us to better serve the unit for which the contract has been created as an instrument to prepare copy within the limited scope of current budgets.

The ten questions you have posed are answered as follows:

1. Costs for heads and captions do not include pasting them into the layout.
2. No adjustment is made for partial pages.
3. (a) Originally, first reading on the unjustified page was accomplished while the proof was on the machine. Because of the preponderance of errors and the justifiable rebuke by the editors after preparation of the first two chapters this procedure was discontinued and actual proofreading was completed on the unjustified page. The proofreading charge was applied because reading of proof on the machine actually slowed our own copy preparation operation to the extent that we believed it to be a justifiable charge.
- (b) Pasting is charged as layout which is tied with the proofreading charge, therefore difficult to

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segregate for billing purposes within the scope of payments.

- (c) Lining in blue, sizing and marking of illustrations, tables, inserts, dummy sheets, and figures are charged at the "art work" rate.

4. (a) No adjustment is made for partial pages.

- (b) Rate for justified pages is charged for pages consisting solely of tabular matter. However, to answer the question specifically as it appears, i.e., "Should rate for justified page be charged for pages consisting solely of tabular matter?" I believe the answer should probably be "No!" Before affirming this reply as a certainty I would like to take the time to thoroughly study our own production records for all tabular matter set to date on the chapters on which we have worked.

5. All justified pages are read thoroughly. Reply contained in 3b and c applies to the second part of the question.

6. (a) The study, application, scaling, and drawing of any single page is figured in the "art work" charge.

- (b) Some of the work devoted to single pages has run well beyond two hours. Other pages have been less than an hour. In attempting to reply to this part of your question I cannot and shall not, in honesty, attempt to justify the "one hour per page" rate that has been levied in the charges that have been billed. I can add however, in honesty, that I have tried to strike a fair average of production time on any given group of pages in arriving at the charge as it has been presented.

— 7. (a) I do not think both charges should apply.

(b) Right.

— 8. More than one-half of the material contained on any given page.

9. None.

10. No charge.

The questions, as presented, indicate - to me, at least - that someone has given careful study to the itemization in the billing process. That is healthy. On several occasions I have suggested to men with whom we deal on this work that we could and should sit down to discuss a number of phases of the work as it is currently being handled. I have ventured the suggestion with the hope of improving all procedures as they affect current operations and future procedures as well as contractual provisions. I have never been invited to elaborate on these suggestions.

(3) Mr. Beatty

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I believe when this contract was drawn, it was initiated and sponsored for two prime reasons:

- (1) To continue to publish, within the limitations of available funds, what I believe to be one of the most strategically important series of publications issued by the Federal Government.
- (2) To issue this series by a process heretofore untried by the editors and the technical staff available to do the job.

It is a tough job!

As a technician in the field of reproduction I do not pretend to persuade or try to persuade any person that our process of copy preparation is "letter-press" perfect. We do strive, however, despite a lack of many facilities in this field, to come as close to letter-press perfection as facilities and competent workmen will permit. We attempt to do it in a manner which will permit a feeling of pride in the finished product - and for less cost than would be the case in the type-set letter-press field. We are trying to do just that under the provisions of contract No. MOD 7477 and within the broad outline under which the contract was negotiated.

If somewhere along the line there is a lack of understanding on costs, charges, or procedures it seems to me the certain way to resolve any or all differences or lack of understanding is a round-table discussion of all points at issue for final resolution.

As an officer in a responsible firm, Mr. Beatty, this contract is more important to me personally than perhaps you or any man concerned with it may realize. In my firm I take a great deal of pride in the fact that it is my personal responsibility to make available this copy which may in many instances be the only true or accurate intelligence upon which many individuals may sometime in the future depend, to keep this country where it is now - in the vanguard! If I misrepresent a comma for a semi-colon in the process of getting the overall job done it is not intentional - for I guess that is important too - because I have never lost a printer's desire to look upon good work and feel that I was part of it! If charges contained in our invoices have become subject to question I can state without fear of contradiction that not one penny of over-charge has been contained within the scope of the contract while, at the same time, I freely admit that some of the straight charges should be subject to discussion and probable modification.

When this contract was drawn and approved by the proposing and accepting parties I believe it was completed in sincere good faith by the contracting officers as an instrument to produce acceptable copy and permit our firm to make a nominal profit. There were factors which could not possibly have been foreseen by the office for which the contract was drawn, by the contracting officer, or by ourselves. In this venture, as in any venture, I believe that any inequitable provisions which appear should not be dependent upon the legal provisions which govern, near so much as the personal resolutions we can arrive at along the

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lines of what is fair to the office for which we are doing the work and to ourselves as a corporation in business to be successful and earn a decent reputation in the process of becoming successful.

In the contract under discussion there are nebulous factors for which we have never made a charge of any kind - corner tabs, corrections, authors alterations, sample pages and sample headings - this work being performed subsequent to completion of the contract. Because these items have not been considered and some that may appear in the future may not have been considered in consummating a contract, we have written them off and in taking full advantage of the contract as drawn we have entered charges only to which we were entitled feeling that extraneous matter for which no provision was made originally, justified (but not over-justified) what we have done in totaling costs.

We like the J-job, Mr. Beatty. We'd like to continue working on it. (I, personally, like it because, among other reasons,) of its importance to America. As a Corporation we are a little bit proud that we are good enough to have been approved to handle it. We are trying to build ourselves into the kind of a business that made America in the first place. In the help we receive from any source we only ask that our efforts be examined and reviewed in the rather strong and worthwhile light of practical results. If we fail in this category we fail in what we are trying to accomplish as a Corporation - not in just one division of the Corporation.

We have spent a fairly considerable sum of money to prepare our premises so we comply with security regulations. In so doing, to the best of our ability, to the extent of having the premises approved by inspecting officers, our production was completely halted for two weeks through no fault of our own yet our costs went on because we respect our employees sufficiently not to have passed on to them a financial debit which was not their fault any more than it was the fault of myself or the other officers of the Corporation. Here again we had a value to weigh in levying what I deem justifiable charges within the scope of the contractual provisions - and despite costs, as presented, I venture the guess without the slightest knowledge of previous letter-press costs, that we are well below any previous type composition charges for a comparable chapter of this series - not to mention the number of pages we have probably condensed through adding more lines per page in the current process.

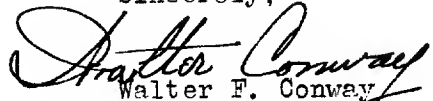
You know, Mr. Beatty, presupposing without examination, all points I have tried to bring out in this letter are true and justifiable, these, in themselves are not sufficient to justify the continuation of the work involved unless there is mutual respect among the working members of our organization and the Office responsible for the production of finished work on which we are doing the initial, preparatory copy. Despite our own belief that we are doing a decent job within the limitations of the equipment and skilled workmen in the field in which we are working, despite the desires of the ordering office in producing a perfect product and despite your own desire to make facilities available that will result in the most good for the Federal Government if there exists a lack of mutual understanding of all the problems involved I wonder who will benefit?

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Suppose we all talk it over frankly and find out whether misunderstanding might once again be holding up mutual progress.

Sincerely,


Walter F. Conway
Vice-President
McGREGOR & WERNER, INC.

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